

The Borne Foundation

Annual Report and Financial Statements

31 March 2017

Company Limited by Guarantee
Registration Number
09788534 (England and Wales)

Charity Registration Number
1167073 (England and Wales)

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Reference and administrative details

Trustees	N R Hurrell C L Moffat T MacDonald J R H Mylchreest (Chairman) H Pye F Vanni d'Archirafi
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Telephone	T: 0203 315 3184
Website	www.borne.org.uk
Company registration number	09788534 (England and Wales)
Charity registration number	1167073 (England and Wales)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	CAF Bank 25 Kings Hill Avenue Kings Hill West Malling ME19 4TA
Solicitors	Morgan Lewis & Bockius LLP Condor House 5-10 St Paul's Churchyard London EC4M 8AL

The trustees present their report together with the audited financial statements of Borne Foundation ("the charitable company") for the period ended 31 March 2017.

This report has been prepared in accordance with Part 8 of the Charities Act 2011 and serves as the report of the trustees for the purposes of the Companies Act 2006.

The financial statements have been prepared in accordance with the accounting policies set out on pages 19 to 22 therein and comply with the charitable company's Memorandum and Articles of Association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

ABOUT BORNE

Research to prevent premature birth

The Borne Foundation (Borne) was initially set up as a research appeal in 2013 by Professor Mark Johnson with CW+, the Chelsea & Westminster Hospital charity, to fund research that advances our understanding of pregnancy and identifies solutions to prevent or delay the onset of premature labour. By reducing prematurity, we make a vital difference between death and disability in childbirth, and create lifelong health for mothers and babies. Between 2013 and 2015, Borne raised over £3.5 million in support of this cause.

We became an independent charity in 2016, giving us the capacity to realise our ambition to grow the research team, start new phases of research, extend our fund-raising and build a national and global brand with a track record for preterm birth research.

Around the world, 15 million children are born prematurely; 1 million are born too early to survive. In those who do survive, many suffer life-long disability. Borne's approach to solving the devastating problems caused by preterm birth focuses on supporting research that can be translated into clinical solutions with global application. It is this 'bench-to-bedside' approach, alongside our close collaboration with scientists, clinicians, research groups and partners, that sets Borne apart.

By improving our knowledge of normal and abnormal pregnancy outcomes through scientific research, Borne will:

- Understand the mechanisms responsible for preterm and term labour
- Develop effective treatment strategies to prevent death and disability in childbirth
- Build capacity by attracting the best scientific and medical graduates to this area of research
- Increase awareness about the condition itself and its social, personal and economic consequences

ABOUT BORNE (continued)

Research to prevent premature birth (continued)

According to a study by the Oxford Centre for Health Economics published in 2009, the material cost of preterm birth to the NHS is £3 billion. It is estimated that by prolonging pregnancies that are delivered preterm by just one week, it would save the NHS £260 million per annum.

Although the potential for material saving is vast, we are driven to achieve our goals by the desire to give each child the chance of a full life, unencumbered by disability.

As Borne evolves in the coming years, we will achieve our ambitions by:

- Building on our core research partnership with Imperial College and Chelsea & Westminster Hospital to establish a pre-eminent research preterm birth centre in the UK with a proven record for improving clinical outcomes for mothers and babies through interventions and therapies identified by Borne scientists and clinicians
- Supporting independent research and global collaboration with other preterm birth centres of excellence to catalyse the research effort in this field
- Establishing a network of satellite research centres in low to middle income countries like Africa where the rates of preterm birth are far higher, and the need for effective clinical interventions even more pressing
- Developing best practices in the field of obstetrics and providing education based on the outcomes of the research work to reach a wider population of women who are at higher risk of preterm birth.

Borne is committed to making childbirth safer for mothers and babies, ensuring every child's first day on earth would not be their hardest.

ACTIVITIES AND PERFORMANCE

Borne separated from CW+ in the third quarter of 2016, and this is the first set of financial statements prepared and approved by Borne's inaugural Board of Trustees. For the year ended 31 March 2016, dormant accounts were prepared.

Our research

Borne aims to **understand** the mechanisms involved in preterm labour in order to **identify** potential therapeutic targets, and **devise** effective interventions that will save and improve the lives of babies at high risk of being delivered preterm.

Our work to date closely examines the biological processes of pregnancy and childbirth to better understand the significance of changes in the maternal environment throughout pregnancy and define the mechanisms involved in normal and abnormal labour.

Only by understanding the normal process can we begin to understand the abnormal, and identify markers of risk in women that are likely to deliver their babies preterm. This understanding is fundamental to the development of diagnostic, treatment and prevention strategies for preterm birth and stillbirth.

ACTIVITIES AND PERFORMANCE (continued)

Our research (continued)

Borne's research is focused on the pregnancy period and the factors and conditions in pregnancy that may lead to preterm birth. We do not directly participate in research associated with assisted conception, or maternal health not having an impact on babies and children.

Over three years, Borne researchers have collected over 1,200 samples from 300 carefully phenotyped women undergoing elective and emergency Caesarean sections. The current research is derived from analysis of these samples and organised into the following programmes.

– **Maternal-fetal immunology and its role in the outcome of pregnancy**

Healthy pregnancy involves multiple tolerance mechanisms that prevent maternal and fetal immune systems from recognising and rejecting each other. Laboratory research is ongoing to advance the understanding of the factors and mechanisms that trigger a breakdown in maternal-fetal tolerance, leading to the onset of preterm labour.

By studying abnormal pregnancies, including those complicated by infection, pre-eclampsia, heart disease, obesity and HIV infection, we can understand how derangements in maternal health impact pregnancy. From these studies, we will establish strategies to optimise fetal growth, neurodevelopment and metabolic health, particularly in association with conditions that trigger preterm birth.

– **Myometrial function and pathways leading to spontaneous preterm labour**

In the laboratory, researchers have been investigating processes and mechanisms at the cellular level that inhibit the expression of pro-labour factors. In particular, Borne's scientists and clinicians are working together on a treatment to enhance progesterone action as an inhibitor of labour in the clinical setting.

Key findings to date

The myometrial function

- **Inflammation:** The prevailing scientific dogma is that inflammation in the muscle of the womb (the myometrium) causes the onset of preterm and term labour. Consequently, for the last twenty years, researchers have tried to find effective anti-inflammatory agents to reduce the risk of preterm birth. However, our research has established that there is minimal inflammation in the myometrium (Singh et al, 2017) with the onset of labour. Rather, the decidua, which lines the inside of the womb, is inflamed.

ACTIVITIES AND PERFORMANCE (continued)

Key findings to date (continued)

The myometrial function (continued)

- **Progesterone:** To date, the only intervention that has been shown to reduce the risk of preterm birth in high risk women is progesterone, albeit with conflicting results. Physiologically, progesterone is essential for the initiation and maintenance of pregnancy but, we do not understand how progesterone works to support labour. The current view is that progesterone action is reduced or lost with the onset of labour. Our work shows that progesterone is maintained with onset of labour, and acts to repress the activity of transcription factor AP-1, not a second pro-inflammatory transcription factor, NFκB, as widely thought (Lei et al, 2015). The data suggests that the withdrawal of progesterone action might not change myometrial gene expression, but can alter protein levels and function.
- **cAMP:** We are studying the effect of the intracellular second messenger, cyclic adenosine monophosphate (cAMP), that makes smooth muscles relax in the airways and contract in the heart and gastrointestinal tract. Others have shown that components of the cAMP pathway change in the muscle of the womb with the onset of labour. Our work has shown that these changes actually reduce cAMP action through its most recognised effector protein kinase A (PKA) and actually increase its action through another effector, EPAC, that could account for the major changes in oxytocin receptor and COX-2 expression in early labour. (Yulia et al, 2016). Focusing on the potential of cAMP/progesterone combinations to prevent preterm labour, our recent data show that cAMP enhances progesterone action in a PKA-dependent mechanism. Our in vivo modelling work suggests that this combination may be a good therapeutic option in high risk women. We are about to start a clinical feasibility study to address this possibility.

The maternal immune system

The maternal innate immune system is thought to be over-activated, precipitating pregnancy complications including the onset of preterm labour. Our work to date suggests that a loss of maternal tolerance may have a role in the onset of labour. It is possible that progesterone withdrawal occurs at the level of the maternal immune response and not the uterus. Further studies are needed to understand what is the involvement of the innate and acquired immune systems are in different types of preterm labour.

Complicated pregnancies

Women with pre-existing heart disease, obesity and HIV have an increased risk of preterm labour and of poor fetal growth. Our hypothesis is that both are mediated through a failure of the immune system to develop tolerance to the feto-placental unit. Our work explores this possibility by studying the development of tolerance as pregnancy advances in women with and without these complications.

ACTIVITIES AND PERFORMANCE (continued)

Key findings to date (continued)

Complicated pregnancies (continued)

- **Cardiac disease in pregnancy:** Until now, the care of pregnant women with heart disease has been based on opinion, not evidence. Borne completed the first study on the implications of cardiac disease in pregnancy in 2016, which shows the safest way to manage the critical period after birth. We have had 12 papers published on cardiac disease in pregnancy, edited a textbook on the subject, written 9 reviews and various position papers, providing substantial evidence to support the optimal management of women with heart disease during labour. Our findings have been incorporated into the European Society of Cardiology's Guideline on the Management of Pregnant Women with Heart Disease.
- **Obesity** is associated with an increased risk of medical problems during pregnancy including gestational diabetes and pre-eclampsia. While recent studies have shown that bariatric surgery can cure diabetes outside of pregnancy and reduce the risk of both gestational diabetes and pre-eclampsia, it also increases the risk of spontaneous preterm labour and as yet, we do not know why. We are studying women who have undergone bariatric surgery compared to those who have not, and following this cohort through their pregnancies to compare their metabolic profiles and understand how this is interacting with the risk of preterm labour.
- **Infection:** We are comparing the behaviour of the maternal immune system in women who present with infection to that observed in our normal controls, investigating the hypothesis that these women exhibit a loss of tolerance during the infection and that this results in the onset of preterm labour.
- Borne's **pre-eclampsia** study in collaboration with experts from the Medical Research Council at Hammersmith Hospital and St George's Medical School to investigate the role of the nitric oxide pathway in the origin of pre-eclampsia is progressing well. The PhD's abstract of this study has been awarded the Pfizer President's Prize at the annual meeting of the Society of Reproductive Investigation in Orlando.

Current and planned projects

Our ongoing work is focused on the function of the maternal immune system during pregnancy and labour, and the myometrial function with a specific interest in the cAMP pathways during pregnancy and the onset of labour.

To this end,

- We are studying the changes in inflammatory cell number and function in the decidua. Our ongoing work will develop our knowledge of the processes that control and activation and deactivation of uterine contractions and the responsible tissue-specific molecular expression patterns.
- We are investigating the effector pathways used by cAMP in the myometrium and how cAMP interacts with progesterone to influence its action. We are exploring the use of myometrial strips to advance our understanding of progesterone action.

ACTIVITIES AND PERFORMANCE (continued)

Key findings to date (continued)

Current and planned projects (continued)

- Our clinical study, ProgrAm, co-funded by Action Medical Research, will commence in 2017. We will investigate the impact of progesterone alone and in combination with a cAMP agonist, aminophylline, on the maternal immune system and the risk of preterm labour.
- The response of the maternal immune system to the developing pregnancy, and pathogenic and stress-induced inflammatory changes impacting the reproductive tract, are key to developing innovative bioinformatics models that will describe novel phenotypes of spontaneous preterm labour. Further studies investigating the role of the innate and acquired immune systems in different types of preterm labour are planned.

Scientific meetings

Borne hosted the 2nd Annual Preterm Birth Research Conference at Chelsea and Westminster Hospital on 9-10 September 2016 which brought together the community of scientists, clinicians and experts on preterm birth from across the globe to discuss recent progress and developments with research in this field.

“The success of a research conference can be measured by whether new knowledge and ideas are generated. By this metric the 2nd Annual Preterm Birth Research Conference was a major success. The research presented was at the leading edge of discovery and stimulated a lively discussion and sharing of ideas between basic scientist and clinicians working to prevent preterm birth. I left London much smarter than when I arrived.”

- Professor Sam Mesiano, Case Western Reserve University

“The second annual Preterm Birth Research Conference was an excellent scientific meeting that brought together eminent scientists and clinicians in the field with a free exchange of data, concepts and vision. The presentations varied in scope from new basic science discoveries to meta-analyses scrutinizing patient protocols, but succeeded in having each presentation inclusive to all in attendance. With the background of the scientific talks, an important effort was made at the end of the conference to help direct the field. The conference made great inroads by critically analyzing contemporary knowledge and formulating a vision for future research and patient care initiatives.”

- Dr Roger C. Young, MD, PhD

Our fundraising

We thank our Founding Donors, Mr and Mrs William Callanan, Professor Mark Johnson, Mr Dieter Turowski and Mrs Laura Howard, Mr and Mrs Andrew Moffat, Mr and Mrs Julian Mylchreest, Mr Shamshad Ahmed (Smart Cells International) and Mr and Mrs Francesco Vanni d'Archirafi, for their ongoing commitment and strength of support of Borne's work.

ACTIVITIES AND PERFORMANCE (continued)

Our fundraising (continued)

In 2016, we reaffirmed our Founding Donors' financial commitment to Borne as an independent charity by establishing a multi-year Foundation Donor program, securing their commitment to fund £25,000 p.a. for a period of three years. This has enabled Borne to recognise a contribution of £75,000 from every Foundation Donor; and it is our intention to build on this source of support in the coming years.

We are very grateful to our Major Donors who are continuing to support our work so generously. In particular,

- The Dr. Mortimer and Theresa Sackler Foundation which has made a three-year commitment to Borne that is enabling our researchers to investigate and improve our understanding of the onset of preterm and term labour. The ongoing support of The Dr. Mortimer and Theresa Sackler Foundation is critical for the study of the maternal immune function during pregnancy, both in terms of pregnancy outcome but also in terms of how the mother responds to infection.
- The Callanan Family who, in addition to being a Founding Donor of Borne, are enormously generous in their financial contribution to research, and gifts in kind to spur on our fund-raising efforts at Borne's signature events. The Callanans have enabled a PhD project investigating the role of the nitric oxide pathway in the origin of pre-eclampsia. This project involves our researcher with one of the leaders in the field of pre-eclampsia in the Medical Research Council's centre at Hammersmith Hospital, while collaborating with another in St George's Hospital Medical School.
- The Bryan Adams Foundation for their continued support since 2013, and nomination of Borne as a beneficiary for funds raised at their third evening of Opera and Picnic at The Royal Hospital Chelsea in June 2016.

With the support of our very proactive Ambassadors and celebrity supporters, Borne has an established calendar of signature fund-raising events and challenges that have become a reliable and recurrent source of funds, publicity and awareness for Borne's cause. They include the Borne Wonderland Gala Dinners that are held every two years, fund-raising expeditions like the Climb Kilimanjaro Challenge in 2014, and various other sporting and children's events that are very well attended.

In March 2017, we launched another fund-raising outreach with *Borne to Dance*. The evening at Banqueting House was hosted by Borne ambassadors Darcey Bussell and Michael Nunn, and featured performances by the English National Ballet, the Royal Ballet, Strictly Come Dancing and the BalletBoyz, in addition to musicians Keaton Henson and Reinoud Ford. 270 guests and supporters learnt about Borne's work, and over £208,000 was raised through pledges on the evening, all of which will benefit Borne's research.

We want to thank everyone who has contributed to Borne's research funding this year. A growing number of supporters have donated directly or through gifts-in-kind, or by fundraising on Borne's behalf through the year.

ACTIVITIES AND PERFORMANCE (continued)

Funding new research

Since the separation from CW+, Borne has committed to funding a new phase of research that targets the general population of women who are in early pregnancy for the first time (the source of 85% of cases of preterm delivery), women who present at the Labour Ward with threatened preterm labour and women delivering preterm, both when they are admitted to the hospital and at six months after delivery. These studies will enable us to develop predictive algorithms and define whether the innate and/or acquired immune systems are activated and the timing of the activation in pregnancies with an adverse outcome.

Donations to Borne have also funded the purchase of an advanced flow cytometer which will enhance Borne's ability to analyse cell samples, particularly as we embark on a new phase of research and accelerate clinical sample collection.

As part of our effort to catalyse the research effort in this area, Borne also committed to co-fund £1.5 million of independent research into the cause, prevention and treatment of preterm birth with Action Medical Research (AMR) over the next three years (2017 – 2019). AMR's Scientific Advisory Panel will convene in November 2017 to impartially evaluate the research grant applications that have been submitted for funding in open competition.

Looking ahead

We secured the services of McKinsey to work pro-bono with us on strategy and organisation. Working closely with a team led by a European Healthcare and Hospitals Partner, a structure and business plan has been developed to chart Borne's course towards achieving its near and longer term objectives.

These objectives include:

- Accelerating the advancement of primary research through Borne's UK research centre by funding additional professorships and research teams over the next three years.
- Establishing a Scientific Advisory Committee that will critically and independently review all research requests to assess scientific merit and provide comment to the Board on Borne's ability to deliver its scientific mission and maintain scientific excellence.
- Testing the international centre model in Africa with a view to establishing a network of research centres in low and medium income countries where the incidence of preterm birth is significantly higher than the average, and the need to improve clinical outcomes for mothers and babies is pressing.
- Driving results through Borne's funded studies to attract funding from research councils and other grant-makers for further and larger studies, effectively leveraging the contribution of Borne's supporters several times over the initial investment. Borne would also seek to work collaboratively with policy-makers, government, academia and industry to accelerate the pace of research through increased funding, and ensure that research outcomes reach a wider population of women who are at higher risk of preterm birth.

ACTIVITIES AND PERFORMANCE (continued)

Looking ahead (continued)

- Training and inspiring the next generation of scientists and clinicians in reproductive health and medicine

The Board will identify and hire a Chief Operating Officer to work alongside Borne's Founder and Chief Scientific Officer as co-leads of Borne with shared accountability to the Board of Trustees.

- The Chief Scientific Officer is responsible for framing and delivering the science strategy of the respective programmes of research undertaken at Borne. As the research director, he has responsibility for bringing all research proposals and updates to the Scientific Advisory Committee for independent appraisal, and is accountable to the Board for the measurement and transparent reporting of progress and impact on a regular basis. He will maintain an active role in raising funds and liaising with high profile donors as the 'face of the charity'.
- The Chief Operating Officer is responsible for the financial health and resource management of Borne, and ensuring operational and project delivery to the highest standards in line with its values and mission. She is also responsible for coordinating a proactive programme of income generation, managing fundraising, donor relationships and overseeing associated donor stewardship programmes as Borne charts a course for growth.

In terms of governance, a number of additional trustees with complementary expertise will be appointed in the year ahead, and this will enable the convening of a Finance Committee, the Scientific Advisory Committee and an Events Committee in due course. These committees will meet ahead of the quarterly Board meetings to conduct financial, risk, operational and scientific reviews to ensure the impact of spend aligns with Borne's vision and expectations, and the necessary controls are in place to mitigate any material risks identified.

FINANCIAL REVIEW

Financial summary of the year

A summary of the period's results can be found on page 17 of this report and accounts.

During the period ended 31 March 2017, total income amounted to £1,353,353. Of the income, a total of £120,000 related to restricted funds. Expenditure totalled £513,320. Expenditure incurred on restricted funds amounted to £22,758.

Net income for the period was £840,123 resulting in an increase in funds for the period of £840,123.

Public Benefit

The Board of Trustees have taken account of the Charity Commission's guidance on public benefit in reviewing Borne's aims and objectives and planning future activities.

FINANCIAL REVIEW (continued)

Grant Making Policy

Borne was initially conceived as a research appeal by the Chelsea & Westminster Hospital charity, CW+, to fund research led by Professor Mark Johnson, the Clinical Chair in Obstetrics at Imperial College and Consultant Obstetrician at Chelsea and Westminster Hospital who also leads the high-risk maternity care team. Since becoming an independent charity in the third quarter of 2016, research is approved by Borne's Board of Trustees, and as the charity continues to grow and extend its funding to include additional Principal Investigators, a Scientific Advisory Committee comprising a suitably qualified trustee and experts with relevant scientific and/or clinical experience will convene to evaluate and prioritise research proposals that will be funded.

Borne has committed to co-fund £1.5 million of independent research projects with Action Medical Research (AMR) over the next three years (2017 - 2019) to help identify the causes behind prematurity and find ways to prevent it. AMR's Scientific Advisory Panel will ensure an open, transparent, independent and impartial review of grant applications for funding.

Financial position

The balance sheet shows total reserves of £840,123. Of this, £97,242 is restricted. Free reserves at the year end were £742,881. A portion of these funds are ear-marked to fund the expansion of the Borne Centre for preterm birth research with additional professorships and research teams, and our commitment to co-fund independent research into the cause, prevention and treatment of preterm birth with Action Medical Research (AMR) over the next three years.

Reserves policy

The Board is committed to ensuring a sound financial base for the Borne Foundation's work and activities. Borne's reserves policy is set with reference to Charity Commission guidelines to ensure resilience in managing through reasonable levels of risk while maximising the flow of donated funds to research.

On this basis, the Board has determined that as a matter of policy, Borne should hold under normal circumstances free reserves of 12 months of unrestricted operating expenditure. After taking into account funds earmarked for future development of the charity Borne is within the Board's target range for the year, with free reserves of £742,881 at year end.

Risk Management

Borne is in the process of setting up its risk management processes in alignment with guidelines issued by the Charity Commission.

The main risks that have been identified, while in general are unlikely to materialise, can have a significant operational impact with the potential for consequential reputational damage. These are risks that we have in common with other organisations, both within and beyond the charity sector. They include:

- Loss of business continuity due to a cyber security breach, the risk of which is mitigated by a disaster recovery and continuity of business strategy that will be implemented along with a cyber security and IT security audit.

FINANCIAL REVIEW (continued)

Risk Management (continued)

- Cashflow sensitivity which will be addressed through Borne's reserve policy and close management of financial flows and working capital, as well as the disciplined monitoring of grant commitments.
- Key man risk with Borne's heavy reliance on the uniquely valuable knowledge, connections and experience of its founder, Professor Mark Johnson. This will be mitigated with the intention to endow other posts and Professorships such that Borne becomes a wider body of researchers in the coming year.

The first review of Borne's risk management strategy and controls with the Board will be scheduled in October 2017 on the anniversary of Borne's separation from CW+.

Financial Controls Review

The Trustees report that the charity's internal financial controls confirm to guidelines issued by the Charity Commission. The systems of financial control are designed to provide all reasonable but not absolute assurance against misstatement or loss.

They include an annual budget approved by the Trustees; regular consideration of actual financial results compared with the budget at quarterly Board meetings; the authority to spend within defined limits; the consideration of risks by Trustees and the Operations Manager in the charity; and the segregation of duties to the extent possible across the three employees in the charity.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Borne Foundation (Borne) is a charitable company limited by guarantee incorporated on 22 September 2015 and registered as a charity on 13 May 2016. The objects and powers of the charitable company are set out in, and governed by, its Articles of Association.

Borne is governed by a Board of Directors, the members of which are also the trustees of the charity for the purposes of charity law, which meets at least four times a year. The inaugural Board of Directors/Trustees were Founding Donors involved with the establishment of Borne as an independent charity. They play a default 'CEO' role in the absence of a single point of accountability.

The Board sets the strategic goals of Borne, reviews the pursuit of charitable objectives, establishes policy and procedures, monitors financial status with fiscal oversight, ensures compliance with legal requirements and both enhances and protects the reputation of the organisation as ambassadors and advocates. The Operations Manager assists the Board in these activities and, together with the staff, is responsible for the implementation of the charity's strategic plan and the day to day running of charity.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Directors/Trustees

The Directors/Trustees who served during the period were as follows:

Trustees	Appointed/Resigned
N R Hurrell	Appointed 22 September 2015
C L Moffat	Appointed 22 September 2015
J R H Mylchreest	Appointed 22 September 2015

Following the year end, Tom MacDonald, Hetty Pye and Francesco Vanni d'Archirafi were appointed as Trustees of the charity.

Appointment of Trustees

New Trustees are identified and nominated by existing Trustees, and selected by majority vote. To be considered for nomination, prospective Trustees must confirm that they will accept the expectations of the role which, in addition to statutory criteria, include actively participating in at least one fundraising event a year and serving on at least one committee or working group.

The Directors consider that the Board of Trustees, the Chief Scientific Officer and Operations Manager comprise the key management personnel in charge of directing and controlling, running and operating the Charity on a day-to-day basis.

Induction of new Trustees

All new Trustees are inducted through a meeting with the Chairman and familiarisation with the role of a Trustee including a copy of the articles of association. Borne's goals, strategy and main activities will be shared with the new Trustee along with a current set of management accounts and risk assessment.

New Trustees will be required to complete Companies House documentation and a Declaration of Interests to identify potential conflicts of interest.

Remuneration of key management personnel

All Trustees and the Founder/Chief scientific officer give their time freely and no remuneration was paid in the year.

The Operations Manager's remuneration is reviewed annually and adjusted in accordance with performance and earnings. In view of the nature of the charity, the Trustees benchmark against pay levels in other charities with a similar profile. The remuneration benchmark is in the range paid for similar roles. The Chief Operating Officer, when hired, will be remunerated with the same approach.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

STATEMENT OF TRUSTEES' RESPONSIBILITIES (continued)

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Trustees confirms that:

- so far as the Trustee is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the Trustee has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Directors on 2 October 2017 and signed on their behalf by

J R H Mylchreest
Chairman of the Board of Trustee

Independent auditor's report to the members of the Borne Foundation

We have audited the financial statements of the Borne Foundation for the period ended 31 March 2017 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the trustees and the auditor

As explained more fully in the statement of directors' responsibilities statement set out in the trustees' report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us while performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 and of the charity's income and expenditure for the period then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit, the information given in the Trustees' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained while the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ the charity has not kept adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the charity's financial statements are not in agreement with the accounting records; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.
- ◆ the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

Catherine Biscoe, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

24 October 2017

Statement of financial activities (incorporating an Income and Expenditure Account)
Year to 31 March 2017

	Notes	Unrestricted funds £	Restricted funds £	Year ended 31 March 2017 £	Period from 22 September 2015 to 31 March 2016 £
Income and expenditure					
Income from					
Donations	1	1,233,353	120,000	1,353,353	—
Total income		1,233,353	120,000	1,353,353	—
Expenditure on					
Raising funds	2	238,407	—	238,407	—
Charitable activities	3	252,065	22,758	274,823	—
Total expenditure		490,472	22,758	513,230	—
Net income and net movement in funds	5	742,881	97,242	840,123	—
Reconciliation of funds:					
Balances brought forward at 1 April 2016		—	—	—	—
Fund balances carried forward at 31 March 2017	11	742,881	97,242	840,123	—

All of the above results are derived from continuing activities.

All recognised gains and losses are included in the above statement of financial activities.

Balance sheet 31 March 2017

	Notes	2017 £	2016 £
Current assets			
Debtors	8	529,459	—
Cash at bank and in hand		1,378,824	—
		1,908,283	—
Liabilities			
Creditors: amounts falling due within one year	9	(1,068,160)	—
Net current assets		840,123	—
		—	—
Total net assets	10	840,123	—
The funds of the charity:			
Funds and reserves			
Restricted funds	11	97,242	—
Unrestricted funds			
- General funds		742,881	—
		840,123	—

Approved by the Trustees on 2 October 2017 and signed on their behalf by:

J R H Mylchreest
Trustee

Company Registration Number: 09788534 (England and Wales)

Statement of cash flows Year to 31 March 2017

	Notes	Year ended 31 March 2017 £	Period from 22 September 2015 to 31 March 2016 £
Cash flows from operating activities:			
Net cash provided by operating activities	A	1,378,824	—
Change in cash and cash equivalents in the year		1,378,824	—
Cash and cash equivalents at 31 March 2017	B	1,378,824	—

Notes to the statement of cash flows for the year to 31 March 2017.

A Reconciliation of net movement in funds to net cash provided by operating activities

	Year ended 31 March 2017 £	Period from 22 September 2015 to 31 March 2016 £
Net movement in funds (as per the statement of financial activities)	840,123	—
Adjustments for:		
(Increase) decrease in debtors	(529,459)	—
(Decrease) increase in creditors	1,068,160	—
Net cash provided by operating activities	1,378,824	—

B Analysis of cash and cash equivalents

	Year ended 31 March 2017 £	Period from 22 September 2015 to 31 March 2016 £
Cash at bank and in hand	1,378,824	—
Total cash and cash equivalents	1,378,824	—

Principal accounting policies 31 March 2017

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation

These financial statements have been prepared for the period from 1 April 2016 to 31 March 2017. For the prior period, from incorporation (22 September 2015) to 31 March 2016, the charity was dormant and there were no transactions. Therefore no comparatives have been shown.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ assessing the probability of receipt of income from fund raising events and donations pledged but not received;
- ◆ allocation of support and governance costs; and
- ◆ grant commitments payable in the next financial year.

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

Assessment of going concern (continued)

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income received by way of donations and gifts to the charity is included in full in the statement of financial activities when receivable. Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period. Donations from Founder Donors are recognised once the donor has signed an agreement to fund the charity (usually over a period of three years) and it is probable that economic benefit will pass to the charity.

Gift Aid receivable is included in income when there is a valid declaration from the donor. Any Gift Aid amount recovered on a donation is considered to be part of that gift and is treated as an addition to the same fund as the initial donation unless the donor or the terms of the appeal have specified otherwise.

Donated services and facilities provided to the charity are recognised in the period when it is probable that the economic benefits will flow to the charity, provided they can be measured reliably. This is normally when the service is provided. An equivalent amount is included as expenditure.

Donated services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain facilities or services of equivalent economic benefits on the open market.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis.

All expenditure is stated inclusive of irrecoverable VAT.

Expenditure comprises direct and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes the costs of fundraising events, staff costs associated with fundraising and an allocation of support costs.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include charitable grants, research expenditure and an allocation of support costs.

Grants payable are charged to the statement of financial activities in the year in which they are approved for payment. Provision is made for grants agreed and approved but unpaid at the period end.

Support costs include governance costs and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Support costs include central functions and have been allocated to expenditure on raising funds as the trustees consider that there are no such costs associated with charitable activities.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of financial activities over the life of the lease using the straight line basis.

Fund accounting

Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets these criteria is identified to the fund.

Unrestricted funds are donations and other income received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

1 Income from donations

	Unrestricted £	Restricted £	2017 Total £
Trusts and Foundations	110,000	—	110,000
Chelsea and Westminster Healthcare Charity (CW+)	515,903	120,000	635,903
Corporate donations	195,634	—	195,634
Individual donations	436,816	—	436,816
2017 Total	1,258,353	120,000	1,378,353

The activities of the charity were previously carried out as a sub-charity under the umbrella of the Chelsea and Westminster Health charity. Separation from Chelsea and Westminster Health charity was completed in October 2016 and all activities were transferred to the charity. On separation net assets of £635,903 were transferred to the charity and have been recognised as donation income.

2 Expenditure on raising funds

	Unrestricted £	Restricted £	2017 Total £
Cost of fundraising events	136,152	—	136,152
Support costs (note 4)	52,915	—	52,915
Staff costs (note 6)	49,340	—	49,340
2017 Total	238,407	—	238,407

3 Expenditure on charitable activities

	Unrestricted £	Restricted £	2017 Total £
Staff costs (note 6)	27,562	—	27,562
Research expenditure:			
· Imperial College grants	68,565	22,758	91,323
· Warwick University Post-Graduate Scholarship	15,000	—	15,000
· St Stephens Aids Trust	90,000	—	90,000
Support costs (note 4)	50,938	—	50,938
2017 Total	252,065	22,758	274,823

4 Support costs

	Expenditure on raising funds £	Charitable activities £	2017 Total £
Recruitment costs and staff welfare	23,065	12,885	35,950
General administrative expenses	8,733	4,878	13,611
Marketing and publicity expenses	12,117	6,768	18,885
Professional fees	9,000	19,207	28,207
Governance costs:			
- Auditor's remuneration	—	7,200	7,200
Total	52,915	50,938	103,853

Support costs have been apportioned on a basis consistent with the use of resources.

5 Net income before transfers

This is stated after charging:

	2017 £
Auditor's remuneration	
- Audit for current year	7,200

6 Staff costs and numbers and remuneration of key management personnel

Staff costs were as follows:

	2017 £
Salaries and wages	69,795
Social security costs	7,107
Pension contributions	—
	76,902

No employees earned more than £60,000 during the period.

The average number of employees was as follows:

	Average 2017
Raising funds	1.5
Charitable activities	0.5
Central support	1.0
	3

6 Staff costs and numbers and remuneration of key management personnel
(continued)

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees, and Ms J Palmer (Head of Operations and Events). Since 31 March 2017 the charity has employed Mei Li Powell as Chief Operating Officer. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £ 33,750.

No trustees received any remuneration for their services as a trustee. Expenses of £ Nil were reimbursed to the trustees.

7 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

8 Debtors

	2017 £
Prepayments	63,802
Accrued income	465,657
	<u>529,459</u>

9 Creditors: amounts due within one year

	2017 £
Trade creditors	331,743
Grants payable	590,599
Taxation and social security	2,490
Deferred income	39,330
Accrued costs	103,998
	<u>1,068,160</u>

9 Creditors: amounts due within one year (continued)

Included in accruals for grants payable are amounts broken down by individual grants as set out below:

Name of institution	Purpose	On separation £	New grant expenditure (awards) £	Costs paid £	Total accrual 2017 £
Imperial College	Pre-term birth research (Core program)	783,840	(178,517)	(386,304)	219,019
Imperial College	Pre-Eclampsia research	66,140	—	(27,573)	38,567
Imperial College	Pre-term birth research (Contractility/MUC)	—	87,115	(26,827)	60,288
Imperial College	Research midwife	—	22,758	—	22,758
Imperial College	Advanced flow cytometer equipment	—	159,967	—	159,967
St Stephens Aids Trust	PROGRAM	—	90,000	—	90,000
		849,980	181,323	(440,704)	590,599

Included in deferred income are amounts received in advance for events and sponsorship as set out below:

	2017 £
Deferred income brought forward	—
Additional income deferred in year	39,330
Brought forward funds released in year	—
Deferred income carried forward	39,330

10 Analysis of net assets between funds

	Restricted funds £	General funds £	Total funds £
Net current assets	97,242	744,881	840,123
Net assets at the end of the year	97,242	744,881	840,123

11 Movement in funds

	At 1 April 2016 £	Income £	Expenditure £	At 31 March 2017 £
Restricted funds				
ICAP Funding	—	120,000	(22,758)	97,242
Total restricted funds	—	120,000	(22,758)	97,242
Unrestricted funds				
General funds	—	1,258,353	(400,472)	857,881
Total funds	—	1,378,353	(423,230)	955,123

ICAP funding was specifically to fund the salary of a research midwife working on the study of a new treatment for the prevention of pre-term labour in high-risk women.

12 Operating lease commitments

The group and charity had future minimum commitments at the year end under operating leases as follows:

	2017 Other £
Payments which fall due:	
Less than one year	48
Between two and five years	—
Over five years	—

13 Related party transactions

During the year trustees made total donations of £150,000 to the charity. At the year end, £25,000 had been received and £125,000 was a debtor.

14 Donated services and facilities

During the year the charity has received donated office facilities from Imperial College, the services of McKinsey to help structure a business plan, legal services from Morgan Lewis & Bockius LLP acting on behalf of Borne in formalising its separation from CW+, and performances for Borne to Dance by artists from The Royal Ballet, English National Ballet, Strictly Come Dancing and BalletBoyz. These donated services and facilities have not been recognised as income as their value cannot be measured.

15 Commitments

The charity has agreed to fund research carried out by Imperial College until 2019. At the year end the charity agreed the grants payable within the next year (note 9) but has committed to fund a further £1.3m of grants between 2018 and 2019. The charity has also agreed to fund Action Medical Research and provide funding of £1.5m from November 2017 to November 2019. The commitments will be funded from free reserves and future donations.